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☐ NATIONAL RECONNAISSANCE OFFICE  
WASHINGTON, D.C.

**NRO REVIEW COMPLETED**

OFFICE OF THE DIRECTOR

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*P. 1.8*  
April 16, 1968

Dear Dick:

I have agreed to provide to you early in the NRO budget review cycle a statement of the major issues which I foresee for the NRP budget for the upcoming fiscal year. The attached paper responds to this commitment. You and the United States Intelligence Board (USIB) may wish to give special attention to the requirements aspects of these issues.

You will appreciate that it is not possible at this time to define all of the issues with precision; also we may not have anticipated some issues which will arise later. In addition, we have possibly identified some topics which will not actually be at issue at the time the NRP budget comes up for final approval and others which will be refined and altered as we get closer to formulating the budget for FY 1970.

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☐ You will be kept advised of this. If in the meantime the Board has comments to add on that subject, they will, of course, be welcome.

Also there is no mention of satellite vulnerability as a possible budget issue. The studies now underway under your direction would, when completed around the middle of May, permit us to define whether or not this is a subject for budgetary consideration for FY 1970.

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Satellite reconnaissance for indications and warning is not discussed as an issue simply because the USIB has already requested comments from the NRO on its paper of 5 January 1968 (USIB-D-46.4/3). The response is now being prepared and should be available around June 1. Relevant to this question, limited funds were approved for FY 1969 to study alternative system concepts for high-survival, quick-reaction reconnaissance capabilities--both aircraft and non-aircraft. It is not expected that the results of these studies will be available by November 1968. However, developments between now and then may clarify the problem to the point where the ExCom may wish to increase the funding for more intensive study and technical developments relevant to alternative system concepts.

With regard to TAGBOARD drones, let me say that as a result of decisions made for FY 1969, no new TAGBOARD procurement will be undertaken in FY 1969. Further, it is not my intention to recommend a restart of new production before the current test program has been satisfactorily completed. Accordingly, at this time it is not possible to say whether this will be a budget issue for the FY 1970 budget.

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The attached paper has been prepared for the Board with the full recognition that there are refinements required and there is need for a continuing exchange on certain of the subjects between the cognizant committees of the Board and the NRO. I also recognize that the identification of a requirement as one having a significant impact on the next NRP budget is not necessarily a reason for a major new study and revalidation of that requirement. However, I do believe it will be useful for you and the Board to be fully aware of actual or potential

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issues affecting the next NRP budget so that you can address those related requirements which, in your judgment, warrant reconsideration in light of changing intelligence requirements and priorities as well as the degree of success which may already have been achieved in meeting current requirements.

It is my hope that the early initiation of Board consideration of requirements issues having major impact on the NRP budget for the next fiscal year will lead to an orderly and timely resolution of such issues in preparation for the Executive Committee decisions on the NRP budget and will be of mutual benefit to the USIB and the NRO.

Sincerely,

NRO  
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Alexander H. Flax

Attachment

Preliminary Identification of FY 1970  
NRP Budget Issues and Questions on  
Which USIB Guidance Is Desired

The Honorable Richard Helms, Chairman  
United States Intelligence Board  
Central Intelligence Agency  
Washington, D. C.

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